



Robert W. Quinn, Jr.  
Federal Government Affairs  
Vice President & Director

Suite 1000  
1120 20th Street NW  
Washington DC 20036  
202 457 3851  
FAX 202 457 2545

May 17, 2002

VIA ELECTRONIC FILING

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> St., SW, Room TWB-204  
Washington, DC 20554

Re: Notice of Ex Parte Contact  
FCC Seeks Comment On AT&T Request to Contribute to Universal Service  
Based on Projected Revenues, CC Docket No. 96-45, DA No. 02-376

Federal-State Joint Board on Universal Service, CC Docket No. 96-45; 1998  
Biennial Regulatory Review – Streamlined Contributor Reporting Requirements  
Associated with Administration of Telecommunications Relay Service, North  
American Numbering Plan, Local Number Portability, and Universal Service  
Support Mechanisms, CC Docket 98-171; Telecommunications Services for  
Individuals with Hearing Speech Disabilities and the Americans with Disabilities  
Act of 1990, CC Docket No. 90-571; Administration of the North American  
Numbering Plan and North American Numbering Plan Cost Recovery  
Contribution Factor and Fund Size, CC Docket No. 92-237, NSD File No. L-00-  
72; Number Resource Optimization, CC Docket No. 99-200; Telephone Number  
Portability, CC Docket No. 95-116; and Truth-in-Billing and Billing Format, CC  
Docket No. 98-170

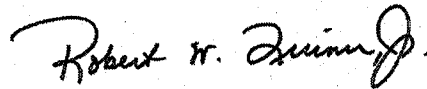
Dear Ms. Dortch:

On Thursday May 16, 2002, Joel Lubin and I met with Dan Gonzalez, Legal Adviser to Commissioner Martin, to discuss issues related to aforementioned dockets. We stressed the need for the Commission to permanently fix the universal service contribution mechanism by adopting a per connection assessment methodology consistent with AT&T's and other carrier's comments as soon as possible for implementation on January 1, 2003. We explained how that mechanism would work and also addressed how such a system would be entirely consistent with the act as well as prior Commission Orders.

In addition, we distributed a copy of AT&T's May 15, 2002 ex parte with respect to AT&T's *Request to Contribute to Universal Service Based on Projected Revenues*. We stressed the need for the Commission to grant AT&T's request to, on an interim basis, contribute to universal service based on projected revenues as a first step towards reforming the universal service assessment and collection mechanism. We highlighted the fact that the current assessment mechanism (which assesses AT&T, and consequently AT&T's customers, based on six-month old revenue data) results in AT&T's customers bearing a disproportionately higher share of the universal service contribution in the long distance marketplace. That fact is reflected in the current AT&T collection rate of 11.5% versus other carriers in the marketplace whose collection rates are significantly lower due solely to the fact that their interstate revenues are increasing. We reiterated that the current assessment mechanism, which bases assessment on (six-month old) interstate revenues, is irretrievably broken. AT&T's waiver would represent a first step at addressing the current inequitable mechanism, but that it should be only a first step.

One electronic copy of this Notice is being submitted in accordance with the Commission's rules.

Sincerely,

A handwritten signature in dark ink, appearing to read "Robert H. Quinn". The signature is fluid and cursive, with a large initial "R" and a stylized "Q".

Attachment

cc: Dan Gonzalez